

## Minutes

### Board of Directors • Talent and Compensation Committee

June 5, 2025

ReliabilityFirst Corporation • Cleveland, OH

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#### Closed Session

**Call to Order** – Chair Lesley Evancho called to order a duly noticed closed meeting of the Talent and Compensation Committee (Committee) on June 5, 2025, at 11:30 a.m. (ET). A quorum was present, consisting of the following Committee members: Lesley Evancho, Chair; Steve Ambrose, Vice Chair; Joanna Burkey; Melika Carroll; and Ken Seiler. A list of others present during the Committee meeting is set forth in Attachment A.

**Appoint Secretary to Record Minutes** – Chair Evancho designated Niki Schaefer, ReliabilityFirst's (RF) Vice President and General Counsel, as the secretary to record the meeting minutes.

**Antitrust Statement** – Ms. Schaefer advised all present that this meeting is subject to, and all attendees must adhere to, RF's Antitrust Compliance Guidelines.

**Review and Approve 2025/2026 Employee Benefits** – Chair Evancho began by introducing the topic and discussing the last Committee meeting where benefits were discussed but not voted on. Beth Dowdell then explained RF's membership in an ERC program for Anthem which affects the timing of benefit renewals. Because Anthem's new rates came in high, RF went to the market to see what else was available. She stated that RF's loss ratio is 137% and insurance companies usually like to see 80%, so only one other company wanted to bid and bid a 45% increase. The broker was then able to negotiate Anthem down from a 35% increase to a 27% increase, but this will still be a \$280K difference in cost which is going to require a change in the budget. Ms. Dowdell shared that it will not require a change in the assessment because more penalty dollars came in and the rest can be used from reserves.

Ms. Dowdell then discussed changes from the current plan to the new plan, both on the HSA side and the PPO side, but noted that the changes were not particularly significant. She stated that the team looked at different options for how to manage the increase in cost, including altering the cost-share arrangements currently in place, but decided there was not enough time to educate staff and give them a meaningful choice at this point in time. However, the team is going to consider this for the future and would plan to communicate changes, if there are any, to the staff at year end in case the changes could cause employees to switch to a spouse's plan. Ms. Dowdell stated that the recommendation is to approve the plans as shown on the chart, which would be locked in through June 30, 2026.

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Ms. Evancho noted that the timing is more difficult for smaller companies, and that RF unfortunately was more costly than the insurance company anticipated and benefits costs have increased significantly as a result. Mr. Gallagher noted that benefits are a large part of RF's recruitment, retention, and engagement. Ms. Dowdell stated that RF had five claims that were over \$100K and four that were over \$50K. Ms. Burkey noted that while it is not ideal, there is also not much other than what has been done that can be done about it.

**Discussion of additional stakeholder director to replace Scott Hipkins** – Ms. Schaefer opened by discussing the options in terms of the future makeup of the Committee. The Committee then discussed whether to add no stakeholder directors, one new stakeholder director, or two new stakeholder directors. Mr. Gallagher shared that he thinks two additional stakeholder directors would be preferable. Ms. Carroll shared that she thinks adding stakeholder directors would be an opportunity for additional board member training and education. The Committee and staff then discussed their ideas on who to add to the Committee. There was also discussion about how directors serving on both the Talent and Compensation Committee and the Finance and Audit Committee could be helpful.

**Next Meeting** – Chair Evancho noted that the next Committee meeting will occur on August 27, 2025 in Farmington, PA at 9:00 AM (ET). Chair Evancho closed the meeting at 12:25 pm (ET).

As approved on this 27 day of August, 2025 by the  
Talent and Compensation Committee,



Niki Schaefer  
*Vice President, General Counsel and Corporate  
Secretary*

## **Attachment A**

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### **Others Present During the Compensation Committee Meeting**

Jeff Craigo  
Hue DeLuca  
Beth Dowdell  
Tim Gallagher  
Diane Holder  
Marcus Noel  
Niki Schaefer